

September 22, 2015

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The Honorable Thomas Wheeler  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Chairman Wheeler:

As you stated in your confirmation hearing, "Universal service is a key tenet of the Telecommunications Act. We did it for basic telephone service, and we do it for broadband." However, I am becoming increasingly concerned that the Federal Communications Commission (Commission) is not fulfilling its statutory mission and your promise to make sure all Americans have access to advanced communications services. Specifically, tens of thousands of West Virginians and millions of rural Americans do not have access to reliable advanced wireless services. I invite you to come to West Virginia to see, first hand, the real communications challenges that remain in rural America today and the difficulties they place on my state's ability to compete in the global marketplace.

As you have clearly and thoughtfully articulated, wireless services are critical to public safety, economic development, and education. The Commission appears to believe that all Americans have sufficient and reliable wireless coverage. The agency's coverage maps indicate 99.9% of Americans live in a census block that has access to some wireless service, but the reality in my state is far different than what the maps indicate. Wireless service is spotty or non-existent for far too many West Virginians.

Since 2011, the Commission has been restructuring its universal service programs to better focus this funding toward bringing rural communications into the 21<sup>st</sup> century. I agree that universal service must move beyond just supporting basic telephony. However, these reform efforts have not achieved the intended results in all cases. In the order that established the "Mobility Fund," the Commission noted that:

Significant mobility gaps remain a problem for residents, public safety first responders, businesses, public institutions, and travelers, particularly in rural areas. Such gaps impose significant disadvantages on those who live, work, and travel in those areas. Today's Order seeks to address these gaps."

The Mobility Fund should have ensured that the states with the lowest rates of advanced wireless penetration received the most funding. West Virginia had one the lowest rates of advanced


wireless service penetration when the Mobility Fund was initiated, and, most disappointingly, that is where we remain today. The first round of Mobility Fund funding failed West Virginia and much of rural America. Given the vast investment needs for advanced wireless infrastructure in rural America, I do not understand how a program that initially allocated \$300 million to address these needs has only disbursed a meager \$66 million three years after the money was initially awarded. This one-time support was designed to provide 3G or better mobile voice and broadband service to rural areas that are simply not profitable to serve. Inconceivably, to date, more money has been rescinded (\$73 million) than has been invested in building out these networks. Without your strong leadership, we will miss this opportunity to bridge the digital divide and build critical information infrastructure in rural America.

The Commission has the ability to correct earlier problems with the implementation of the Mobility Fund. First, the Commission must target the remaining one-time funds to truly unserved areas and stop citing a wireless coverage map that infers the job is done when people in the real world know it is not. Second, although the agency has repeatedly sought public comment on the ongoing support provided by the second phase of the Mobility Fund, it has yet to provide a concrete plan for how that process would work. Companies cannot invest in wireless infrastructure in hard-to-serve rural areas without the certainty that universal service support will be there to help sustain them in the future.

Despite the opportunity to make this right, it appears that the FCC is poised to leave \$70 million on the table. Without these one-time funds, private companies will not be able to make major investments in wireless infrastructure, leaving tens of thousands of West Virginians and millions of rural Americans without access to wireless services. Let me be clear, if the Commission fails to move forward quickly on providing additional support for advanced wireless infrastructure and services, it will have failed its statutory mission to make sure all Americans have access to comparable communications services. That is an unacceptable outcome.

While the technology has evolved and the levels of coverage have changed, the underlying issues remain the same. A child's future should not be dictated by their address or area code, and an American entrepreneur should be able to compete on a level playing field regardless of their location on a map. I believe that the Mobility Fund can play an important role in achieving that ideal, and I look forward to working together to make that a reality.

Sincerely,



Joe Manchin III  
United States Senator





OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

November 24, 2015

The Honorable Joe Manchin  
United States Senate  
306 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Manchin:

Thank you for your letter expressing concern that the Commission is not fulfilling its statutory mission to make sure all Americans have access to advanced communications services, as well as your views regarding the opportunity that the Mobility Fund provides to achieve that goal. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

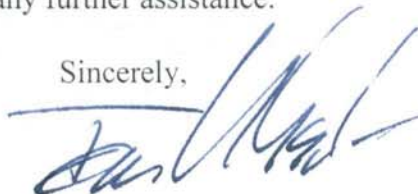
In October 2011, the Commission adopted a *Report and Order and Further Notice of Proposed Rulemaking* (FNPRM), which comprehensively reformed and modernized the universal service system to help ensure the universal availability of fixed and mobile communication networks capable of providing voice and broadband services where people live, work, and travel. The Commission's universal service reforms include a commitment to fiscal responsibility, accountability, and the use of market-based mechanisms, such as competitive bidding, to provide more targeted and efficient support than in the past. For the first time, the Commission established a universal service support mechanism dedicated exclusively to mobile services: the Mobility Fund. The Mobility Fund is the first universal service mechanism dedicated to ensuring availability of mobile broadband networks in areas where a private-sector business case is lacking.

In the Mobility Fund Phase I, the Commission set aside \$300 million in one-time support to immediately accelerate deployment of networks for mobile voice and broadband services in unserved areas. Mobility Fund Phase I support was made available through a nationwide reverse auction. The auction was designed to maximize coverage of unserved road miles within the budget, and winners are required to deploy 4G service within three years or 3G service within two years in order to accelerate the migration to 4G. The total potential support to be awarded as a result of the auction was approximately \$300 million, covering more than 80,000 road miles. As you note, however, some of the winning bidders have chosen for various reasons not to construct facilities but to default and incur the relevant penalties. I would note as well, though, that several other winning bidders in the process of constructing their networks have opted to defer interim compensation that they may be entitled to receive in favor of receiving full compensation upon completion of construction. The Commission is coordinating with USAC regarding the expeditious disbursement of funds to eligible recipients.

In 2011, the Commission also proposed to use a reverse auction to provide up to \$500 million per year in ongoing support as part of the Mobility Fund Phase II to promote mobile broadband and high-quality voice services in areas where such services cannot be sustained or extended absent federal support. In a Further NPRM issued last year, the Commission proposed to retarget Mobility Fund Phase II support to ensure the continued deployment and preservation of 4G LTE mobile broadband service and preservation of mobile voice and broadband service in areas that otherwise would not have such service through marketplace forces. The FNPRM also sought comment on the structure and operational details for Phase II, including the proper distribution methodology, eligible geographic areas and providers, and public interest obligations. No decision has been made on whether or how to retarget Mobility Fund Phase II support, but Commission staff is continuing the process of reviewing the record of the FNPRM to consider possible next steps for a Mobility Fund Phase II.

I appreciate your interest and concerns in this matter, especially as it relates to the low rates of wireless service penetration in the State of West Virginia and the impact it has on your constituents. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a horizontal line.

Tom Wheeler